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February 16, 2001

Mary L. Cottrell, Secretary  
Department of Telecommunications & Energy  
One South Station, Fl. 2  
Boston, Massachusetts 02110

**Re: D.T.E. 99-271, Verizon Massachusetts Section 271 Filing**

Dear Ms. Cottrell:

I am writing in response to the February 9, 2001, comments of AT&T and WorldCom concerning the revisions Verizon Massachusetts ("Verizon MA") filed on January 30<sup>th</sup> to its Performance Assurance Plan ("PAP"). The purpose of that filing was to comply with the Department's directive that Verizon Massachusetts file changes to its PAP, subject to Department review and approval, to reflect changes to the comparable Verizon New York PAP as may be ordered by the New York Public Service Commission ("PSC"). As the Department is aware, the New York PSC issued an order on December 15, 2000, which made a number of changes to the New York PAP. Verizon NY filed an amended PAP on December 22<sup>nd</sup> to comply with that order. Although the New York PSC had not acted on the compliance filing as of January 30<sup>th</sup> (and has still not issued a decision), Verizon Massachusetts filed its revisions to enable the Department to begin its review of the changes ordered in New York.

The issues AT&T and WorldCom raise concerning the revised Massachusetts PAP are without merit and should be rejected by the Department.<sup>(1)</sup> First, they claim that Verizon MA has failed to allocate sufficient potential bill credits to the new DSL line sharing metrics. Their contention is wrong. Verizon MA's revised PAP provides for exactly the same percentage of dollars at risk for each measurement category as in the New York

PAP. Attached to this letter is a chart displaying the potential dollars at risk for each category under the Massachusetts and New York PAPs which establishes that the amounts are identical on a percentage basis. There cannot be any question that Verizon MA has complied precisely with the Department's directives.

Second, WorldCom argues that the PAP is deficient because the waiver procedure does not contain a time line for resolution as in the New York PAP, and Verizon MA has not promised to make PAP payments on a dispute waiver issue pending resolution by the Department. Despite having multiple opportunities to comment on the Massachusetts PAP, this is the first time WorldCom has mentioned this issue. The fact is that the Massachusetts PAP contains a suggested time line in Appendix D for the resolution of waiver disputes which is comparable to the corresponding New York time line. And, in any event, the Department will control the pace of any waiver proceeding and can move as quickly as it chooses. WorldCom is simply grasping at straws.

Third, WorldCom complains that Verizon MA has yet to report any performance results under the Achieved Flow Through metric, OR-5-03. While WorldCom is correct, it fails to mention that there was no industry consensus by the New York Carrier Working Group on this metric until October 24, 2000, and that the industry consensus was not adopted by the New York PSC until December 15, 2000. Now that the metric is final, Verizon MA will report its results beginning with the January 2001, reporting period. Contrary to WorldCom's suggestion, there is no issue.

Finally, WorldCom asserts that the Massachusetts PAP is flawed because it does not make PAP remedies additive to liquidated damages that are available under interconnection agreements. The Department has twice addressed this issue, and in both instances, rejected the claim. In its Order of September 5, 2000, adopting the Massachusetts PAP and its Reconsideration Order of November 21, 2000, the Department expressly considered the issue of additive penalties and ruled against them. The Department correctly noted that many Massachusetts interconnection agreements incorporate the Consolidated Arbitrations performance standards and credits plan and that this plan was already similar in scope to the measures and remedies in the PAP. The Department also found that the contract liability in Massachusetts is significantly greater than the contract liability of Verizon in New York. Consequently, the Department ruled that "implementation of the penalty mechanisms under the Consolidated Arbitrations and the Massachusetts PAP would result in double counting and double penalties." The Department noted that no CLEC provided any evidence to suggest otherwise. D.T.E. 99-271, Order on Motions for Clarification and Reconsideration, Performance Assurance Plan, at 12-13 (November 21, 2000); D.T.E. 99-271, Order Adopting Performance Assurance Plan, at 29-30 (September 5, 2000). WorldCom's complaint here is nothing more than an expression of its dissatisfaction with a Department decision and is irrelevant to the issue of whether the revised PAP complies with Department's directives.

In short, AT&T's and WorldCom's complaints regarding Verizon MA's revised PAP are completely without merit. Verizon MA has accurately reflected in its PAP changes that are currently pending New York PSC approval and has fully met the letter of the Department's requirements.

Sincerely,

Bruce P. Beausejour  
cc: Cathy Carpino, Esquire, Hearing Officer  
Michael Isenberg, Director, Telecommunications Division  
Attached Service List

**MASSACHUSETTS/NEW YORK**  
**POTENTIAL BILL CREDIT COMPARISON**

	<b>NY Plan filed 12/22/2000 (\$M)</b>	<b>% of Total</b>	<b>MA Plan filed 1/30/2001 (\$M)</b>	<b>% of Total</b>
<b>Mode of Entry</b>	75.00	25.60%	39.68	25.60%
Doubling of MOE	75.00	25.60%	39.68	25.60%
<b>Critical Measures</b>	81.00	27.65%	42.85	27.65%
<b>Special Provisions</b>				
Flow Through	10.00	3.41%	5.29	3.41%
Hot Cut	24.00	8.19%	12.70	8.19%
Performance				
<b>EDI Special Provisions</b>	18.00	6.14%	9.52	6.14%

<b>CCAP</b>	10.00	3.41%	5.28	3.41%
<b>Total</b>	293.00	100.00%	155.00	100.00%
	Total as % of ARMIS		Total as % of ARMIS	
<b>ARMIS Net Revenue</b>	743.871	39.39%	393.943	39.35%

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<sup>1</sup> Covad and the Association of Communications Enterprises also filed comments. Neither of these parties claim that Verizon MA failed to reflect the New York PAP changes.